

## Jersey Overseas Aid

### **Jersey Overseas Aid Commission response to Scrutiny Panel – Comments on proposed Machinery of Government changes, including amendments to the Public Finances (Jersey) Law**

The Jersey Overseas Aid Commission is grateful to the Scrutiny Panel for the opportunity to comment on the [draft Machinery of Government Law](#), on which it has the following observations and comments:

#### **Principal Accountable Officer**

1. JOAC understands that the new Law creates a new category of entity called ‘States Body’, which incorporates those entities previously defined as either ‘States-Aided Independent Bodies’ or ‘States-Funded Bodies’. There had hitherto existed some ambiguity over which of these latter categories JOAC belonged to, which had led to different interpretations on whether JOAC was bound by the Public Finances Law and could / should have an Accounting Officer appointed. **JOAC accepts that it would currently be covered by this new definition, which would allow the Principal Accountable Officer to appoint an Accountable Officer for the organisation.**
  
2. JOAC views its accountability to taxpayers as importantly as it views its mission to alleviate poverty and suffering, and therefore broadly welcomes this change in the law. It has long sought to clarify where it stands in the accountability framework of the States, and for a time the previous Treasurer fulfilled the role of Accounting Officer. In late 2017 / early 2018 JOAC commissioned an independent report into its governance which – although still being finalised – was anyway likely to precipitate a move back into this framework. However, JOAC would like to take this opportunity to register the following comments about this:
  - a) Clause 38 gives the PAO / CEO responsibility for ‘ensuring that the resources of that States body or States fund are used economically, efficiently and effectively’. JOAC understands this requirement, but would not want the clause to be construed in such a way that the PAO was enjoined or enabled to make technical decisions about the relative effectiveness of different types of aid projects funded by JOAC, or (for example) the countries in which it works. Our independence from government in this respect is as important to us (and, arguably, the reputation of Jersey) as it was to the drafters of the law currently governing us. Indeed, when the JOAC Law began its legislative journey in early 2005, the report to the ‘*projet de loi*’ stated that ‘An Overseas Aid Commission, reporting directly to the States, will be established outside the executive structure of government to manage the overseas aid function’. The report further explained that bringing JOA within executive government brought ‘fears that its purpose, focus and sympathetic approach will not be

so readily available in the bureaucracy of ministerial government'. **JOAC hopes that the new MoG Law – though clearly not intended to – will not jeopardise its independent decision-making.**

- b) The new MoG Law proposes the PAO be empowered to designate an AO 'for' bodies like JOAC. **JOAC believes that it is vital for both its operational efficiency and its political independence that the AO should come from *within* JOAC, and not be external to it.** Additionally JOA Commissioners are legally empowered to appoint all JOAC staff, including its Executive Director / Chief Officer. This right must also be preserved.
  
- c) The MoG Law already appears to offer some flexibility in the precise role and responsibilities of the appointed AO (38(1)(d)). It also highlights that the Council of Ministers has agreed that a further review of the overall accountability framework should be conducted, covering the Public Finances (Jersey) Law 2005. JOAC welcomes this, as the current Financial Directives of the PFL were not all designed with the unique situation of JOAC in mind, and some (e.g. Grant-Making; some aspects of Travel) would be difficult, inefficient or costly to comply with as they currently stand. **JOAC generally welcomes its inclusion in the new accountability framework, but would like to reiterate the importance of it being able to agree bespoke, justified exemptions to FDs which meet the spirit of the provisions while maintaining sufficient flexibility necessitated by the unique nature of JOAC's statutory mandate.**

### **Transfers within the Government**

- 3. **JOAC would like to register its opposition to any short-notice reduction of Jersey's international aid budget.** The effectiveness of JOAC's work relies in large part on it being able to commission multi-year aid projects, which have much greater impact (and are easier to monitor, and therefore less risky) than short-term grants. Additionally, Jersey's contribution to Official Development Assistance (ODA) is widely known around the world, and forms part of the Island's international identity. This currently stands at 0.25% of GNP, some way short of the internationally-agreed target of 0.7% reached by the UK and many other countries, but allowing Jersey to hold its head up among wealthy, civilised nations. A cut to our budget would damage this standing, as well as compromising our ability to deliver effective development projects. **Any such decision should not be taken lightly, and should be properly debated by States Members.** [Indeed, on this topic it may be worth mentioning that any *additional* foresight or protection of JOAC's budget by the States would be warmly welcomed: Potentially linking it to GVA, or tax receipts, or creating a planned incremental increase in percentage terms as the States was pleased to agree in previous years, would be avenues which JOAC would be delighted to explore with elected Members.]